

**To the Mayor and Members of the City Council****November 6, 2012**

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SUBJECT: TEXAS ENTERPRISE ZONE NOMINATION FOR ATC LOGISTICS & ELECTRONICS, INC.

The City of Fort Worth approved a Tax Abatement agreement with ATC Logistics & Electronics, Inc., for the expansion and modernization of its three existing facilities in Alliance Texas on October 9, 2012. As a part of the presentation for incentives, Council was informed that ATC Logistics & Electronics, Inc. was requesting that the City nominate the company as an Enterprise Zone Project under the Texas Enterprise Zone Program.

The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the State. An enterprise project is defined as a business that is nominated by a municipality or county and then approved for state benefits. Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site.

ATC Logistics & Electronics, Inc. qualifies for a single Enterprise Project Designation with a projected capital investment of \$28,109,716.00. The company will retain its current workforce of 1,706 full-time employees as a part of the overall project. ATC Logistics & Electronics, Inc. will submit 374 new full-time jobs with an annual payroll of \$15,783,996 and 126 retained full-time jobs with an annual payroll of \$4,001,399.00 as qualified employment for the designation. The single project designation allows for a state sales and use tax refund on qualified expenditures of \$2,500 per job, capped at 500 jobs, with a maximum benefit of \$1.25 million over a five year period.

Under the Texas Enterprise Zone Act at least thirty-five percent (35%) of the business's new employees must be residents of an enterprise zone or classified as economically disadvantaged individuals. In addition, the jobs will be provided through the end of the designation period or at least three years after the date on which a state benefit is received, whichever is later.

Staff will bring forward an M&C to Council on November 12, 2012 nominating ATC Logistics & Electronics, Inc., as an Enterprise Zone Project pursuant to the Texas Enterprise Zone Program.

Tom Higgins
City Manager